

IRS Updates & News Releases:

Tax Advice for Starting, Operating or Closing a Small Business

<http://www.irs.gov/newsroom/article/0,,id=172970,00.html>

To many citizens, running a successful business is part of the American dream. But while they may be experts in their chosen field, few small business owners are tax experts. Many business decisions have significant tax implications. The structure and accounting methods you choose can dramatically affect how much tax you pay. Even before you check with your accountant or tax advisor, you can check out the IRS Web site for useful information. No matter what stage your business is in, you will find the tax help you need by clicking on the tabs near the top marked "Businesses," then "Small Business/Self-Employed," and then on the lower link "Starting, Operating, or Closing a Business."

Remember that for the genuine IRS Web site be sure to use .gov. Don't be confused by internet sites that end in .com, .net, .org or other designations instead of .gov. The address of the official IRS governmental Web site is www.irs.gov.

SBA Launches Tax Savings Resource Center

<http://www.sba.gov/stimulus/>

SBA has created an online tax savings resource center to help small businesses understand how they can benefit from the 2008 economic stimulus package. The package includes the following tax incentives for businesses: a 50% bonus depreciation allowance on equipment purchased and placed in service in calendar 2008 and an almost 100% increase in the amount (from \$128,000 to \$250,000) that a business can expense for equipment purchased and placed in the business tax year beginning in 2008. SBA's tax savings resource center demonstrates the benefits entrepreneurs can gain from the 2008 economic stimulus package. The center, located on www.sba.gov/stimulus, contains three resources on the package: (1) Fact Sheet that provides a clear explanation of the small business tax benefits; (2) Deprecation Calculator tool that provides an estimate of the first-year depreciation available under the provisions; and (3) a brief tutorial summarizing the tax benefits that concludes with the depreciation calculator.

IRS Seeks New Issues for the Industry Issue Resolution Program

<http://www.irs.gov/newsroom/article/0,,id=185547,00.html>

Businesses and associations have until Aug. 31 to submit tax issues to the Internal Revenue Service to be included in the Fall 2008 review in the Industry Issue Resolution (IIR) Program. IIR is an IRS program to resolve business tax issues common to significant numbers of taxpayers through new and improved guidance. In past years, issues submitted by associations and others representing both small and large business taxpayers, resulted in tax guidance that has affected thousands of taxpayers. Recent submissions accepted into the IIR program include Auto Last In First Out - for automobile wholesalers, manufacturers and dealers regarding the proper treatment of the dollar-value, LIFO inventory method for pooling purposes of crossover vehicles, which have characteristics of trucks and cars. IIR project selections are based on the criteria set forth in [Revenue Procedure 2003-36](#).

Is Your Hobby a For-Profit Endeavor?

<http://www.irs.gov/irs/article/0,,id=186056,00.html>

Is your hobby really an activity engaged in for profit? Internal Revenue Code Section 183 (Activities Not Engaged in for Profit) limits deductions that can be claimed when an activity is not engaged in for profit. IRC 183 is sometimes referred to as the "hobby loss rule." This educational fact sheet provides information for determining if an activity qualifies as an activity engaged in for profit and what limitations apply if the activity was not engaged in for profit.

Taxpayers with 25 or More Heavy Vehicles Now Must File Excise Tax Forms Electronically

<http://www.irs.gov/newsroom/article/0,,id=185565,00.html>

Individuals and organizations with 25 or more trucks, tractors or other heavy vehicles used on highways now are required to make their excise tax filings with the Internal Revenue Service electronically, rather than by paper. Form 2290, Heavy Highway Vehicle Use Tax Return, is used to report and pay highway-use excise taxes. Most Forms 2290 are due by August 31.

Farmer and Fisherman Income Averaging

<http://www.irs.gov/businesses/small/article/0,,id=185877,00.html>

Recent legislation permits fishermen to average their income over three years similar to taxpayers involved in a farming business. The American Jobs Creation Act of 2004 amended Internal Revenue Code section 1301 to permit fishermen to average their income over three years. Recently released Regulations [1.1301](#) provide guidance on this change.

New Page Highlights Business Provisions of the Economic Stimulus Package

<http://www.irs.gov/newsroom/article/0,,id=185699,00.html>

A new page on IRS.gov is devoted exclusively to the [business provisions](#) of the Economic Stimulus Package and includes links to two videos.

¿Habla español? So does the IRS!

<http://www.irs.gov/newsroom/article/0,,id=173247,00.html>

Tax information can be difficult to understand in any language; but it can be even more difficult if it is not in your first language. To assist Spanish speakers, the IRS provides a wide range of free products and services.

Recent Articles from e-News for Small Businesses

SBA introduces new online courses for small business owners

The Small Business Administration's [Small Business Training Network](#) has introduced two new free online finance courses to help small business owners with the basic principles of finance and borrowing:

- Finance Primer: Guide to SBA's [Loan Guaranty Programs](#)
- How to Prepare a [Loan Package](#)

Retirement News and Employee Plans News

Read the spring issue of [Retirement News for Employers](#) and the summer edition of [Employee Plans News](#).

IRS videos offer information on retirement plans

IRS has nine new [videos](#) to help retirement plan sponsors and participants choose and operate their plans, ensure benefits are protected, and learn more about the value of plans as a way to save for retirement. Check out other resources on Employee Plans at www.irs.gov/ep.

Social Security Business Services Online recommends early registration

Social Security encourages you to register to use Business Services Online early to avoid the rush during its peak season, December through March. [Register](#) and select Business Services Online now to avoid any delays in receiving your User ID and activation codes, if required.

OSHA's "Safety Pays" program provides planning tool for businesses

OSHA has developed a new interactive tool, the [Safety Pays](#) program to help employers approximate the costs of occupational injuries and illnesses and the estimated impact on a company's profitability. In addition, OSHA's electronic [Compliance Assistance Tool](#) provides employers with guidance for developing and implementing a comprehensive safety and health program.

Visit SBTV.com for small business news

Today's daily news on [SBTV.com](#) highlights IRS's online [Small Business Tax Workshops](#).

Return to the site next Wednesday for an interview on the depreciation provisions of the Economic Stimulus Act.

Business.gov introduces toolkit

[Business.gov](#) has a new "gadget" that you can place on your Web site which allows small business owners to:

- Search for information, forms, and contacts from federal, state and local governments
- Find topics of current interest to the nation's small business community
- Get a listing of licenses and permits that apply to your business
- Watch videos featuring expert advice from successful entrepreneurs and small business owners

Order a bookmark with IRS tax information for small businesses

Publication 4667, Tax Information for Small Businesses and the Self-Employed, provides Key Search Words to help you locate important tax information on IRS.gov quickly and easily. Order this free laminated bookmark on the [Small Business Products Online Ordering](#) page.

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